



541

RECEIVED OCD

2014 JAN 21 P 2:34

Burlington Resources Inc.
A wholly owned subsidiary

January 15, 2014

Bureau of Land Management
Farmington Resource Area
Attn: Mr. Wayne Townsend
6251 N College, Suite A
Farmington, NM 87402

State of New Mexico
Commissioner of Public Lands
Attn: Mr. Pete Martinez
P.O. Box 1148
Santa Fe, NM 87504-1148

New Mexico Oil Conservation Division
Energy Minerals & Natural Resources
Attn: Ms. Lori Wrotenbery
1220 S. Saint Francis Drive
Santa Fe, NM 87505-4000

**RE: Canyon Largo Unit (14-08-001-1059)
Commerciality Determination
Gallup/Mancos Formation
Rio Arriba County, New Mexico**

Gentlemen:

Pursuant to the provisions of Section 11(a) of the Canyon Largo Unit Agreement, #14-08-001-1059, approved, September 18, 1953, Burlington Resources Oil & Gas Company LP, as Operator, has determined that the well listed below is not capable of producing unitized substances in paying quantities from the Gallup/Mancos Formation. Burlington is seeking confirmation of the well determination enclosed.

Well Name	Dedication	Dedicated Lease	Compl. Date	Determination
CLU #485E	E/2 8-25N-6W	SF-078883	8-15-12	Non-Commercial

Upon receipt of response from the Bureau of Land Management and concurring responses from the Commissioner of Public Lands and New Mexico Oil Conservation Division., this well will continue to be reported under the lease.

Copies of this letter and enclosures are being sent to the working interest owners as listed on the attached page. For technical questions please contact Shara Graham at 326-9819, all other questions to the undersigned at 599-4030.

Sincerely,

Dawn Howell, CPLTA
Senior Land Analyst

CLU 4.3 File

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
CANYON LARGO UNIT 485E

WELL INFORMATION

LEASE	CANYON LARGO UNIT 485E
LOCATION	825N06WJ
COUNTY, STATE	RIO ARRIBA, NM
FORMATION	MANCOS
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	6/14/2012
COMP DATE	8/20/2012
1ST DELIVERY	8/15/2012
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

AVERAGE HEAT CONTENT

1,000	MMBtu / Mcf
-------	-------------

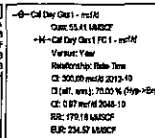
PRODUCTION TAXES

TAXES FOR:	RIO ARRIBA, NM
	2012 - 2013 Commerciality
	GAS % OF REVENUE
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.40
TOTAL %:	9.33

WELL COST AND ECONOMICS

967.31	M\$	AVERAGE WELL COST
217.55	MMCF	ULT. GROSS GAS RESERVES
133.19	MCFD	INITIAL GAS RATE
3.51	%	RATE OF RETURN
-0.18	\$/ \$	P/I, DISC. @ 10.00 %
-173.76	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
10.05	YRS	PAYOUT

CANYON LARGO UNIT 485F



peep 2011.1

01/09/2014 08:56

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
CANYON LARGO UNIT 485E

CASH FLOW SUMMARY

Date	Gas1 Rate	Gas1 Volume	Net Gas Volume	Net Cond Volume	Net Oth Volume	Gas1 Price	Gas Price	Cond Price	Oth Price	Net Revenue	Prod Taxes	Total Opcosts	Total Oper Inc	Total Capital	Total BT Cash
	mcf/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$
2012 11	103.1	3.1	2.03	0.22	0.40	3.87	3.87	81.16	33.37	35.2	3.40	0.79	31.05	0.00	31.05
2012 12	254.7	7.9	5.18	0.06	1.01	3.87	3.87	81.16	33.37	54.1	5.31	0.79	47.99	0.00	47.99
2013 01	35.8	1.1	0.73	0.00	0.14	3.87	3.87	81.16	33.37	7.0	0.69	0.79	5.49	0.00	5.49
2013 02	198.9	5.6	3.65	0.06	0.71	3.87	3.87	81.16	33.37	39.0	3.83	0.79	34.38	0.00	34.38
2013 03	189.6	5.9	3.85	0.07	0.75	3.87	3.87	81.16	33.37	42.0	4.12	0.79	37.09	0.00	37.09
2013 04	142.8	4.3	2.81	0.06	0.55	3.87	3.87	81.16	33.37	30.9	3.03	0.79	27.05	0.00	27.05
2013 05	118.4	3.7	2.41	0.05	0.47	3.87	3.87	81.16	33.37	26.6	2.61	0.79	23.25	0.00	23.25
2013 06	112.5	3.4	2.21	0.04	0.43	3.87	3.87	81.16	33.37	23.7	2.33	0.79	20.62	0.00	20.62
2013 07	100.4	3.1	2.04	0.03	0.40	3.87	3.87	81.16	33.37	21.7	2.13	0.79	18.81	0.00	18.81
2013 08	91.5	2.8	1.86	0.03	0.36	3.87	3.87	81.16	33.37	20.1	1.98	0.79	17.39	0.00	17.39
2013 09	77.0	2.3	1.51	0.03	0.30	3.87	3.87	81.16	33.37	16.8	1.64	0.79	14.33	0.00	14.33
2013 10	86.4	2.7	1.76	0.03	0.34	3.87	3.87	81.16	33.37	18.7	1.83	0.79	16.07	0.00	16.07
2013 11	85.5	2.6	1.68	0.02	0.33	3.87	3.87	81.16	33.37	17.8	1.75	0.79	15.27	0.00	15.27
2013 12	79.4	2.5	1.61	0.02	0.32	3.87	3.87	81.16	33.37	17.0	1.67	0.79	14.56	0.00	14.56
2014 01	76.4	2.4	1.55	0.02	0.30	3.87	3.87	81.16	33.37	16.3	1.60	0.79	13.92	0.00	13.92
2014 02	81.6	2.3	1.50	0.02	0.29	3.87	3.87	81.16	33.37	15.7	1.54	0.79	13.34	0.00	13.34
2014 03	71.2	2.2	1.45	0.02	0.28	3.87	3.87	81.16	33.37	15.1	1.48	0.79	12.82	0.00	12.82
2014 04	71.2	2.1	1.40	0.02	0.27	3.87	3.87	81.16	33.37	14.6	1.43	0.79	12.34	0.00	12.34
2014 05	66.8	2.1	1.36	0.02	0.26	3.87	3.87	81.16	33.37	14.1	1.38	0.79	11.90	0.00	11.90
Sub.	---	66.0	43.29	1.03	8.45	---	---	---	---	487.4	47.74	15.72	423.92	967.31	-543.39
Rem.	---	151.5	99.33	0.40	19.39	---	---	---	---	978.0	96.33	213.01	668.69	0.00	668.69
Total	---	217.6	142.62	1.43	27.85	---	---	---	---	1,465.4	144.08	228.73	1,092.61	967.31	125.30